CURTISS WRIGHT

Curtiss-Wright Corporation Reports Third-Quarter Financial Results Including 51% Increase in Sales and 30% Increase in Net Earnings

LYNDHURST, N.J., Oct 26, 2002 PRNewswire-FirstCall via COMTEX – Curtiss-Wright Corporation (NYSE: CW CW.B) today announced financial results for the third-quarter of 2002. The highlights for the third-quarter are as follows:

- Sales increased 51% to $119,641,000 in the third-quarter of this year from $79,420,000 in 2001.
- Operating income of $12,931,000 for the third-quarter of 2002 increased 13% from operating income of $11,398,000 a year ago.
- Net earnings for the third quarter of $11,312,000 or $1.08 per diluted share were 30% above net earnings last year of $8,723,000 or $0.85 per diluted share. Net earnings for the third quarter of 2002 were $9,197,000 or $0.87 per diluted share. An increase in the number of diluted shares outstanding has caused a $0.03 decrease in EPS for the third quarter as compared to last year.
- Backlog increased 17% to $393,439,000 from $242,267,000 at December 31, 2001.

Sales of $119,641,000 for the third-quarter of 2002 represented a 51% increase from sales of the same period last year of $79,420,000. This increase was due primarily to the acquisitions made during the last fifteen months, which contributed $41,921,000 to sales in the quarter. In addition, foreign currency translation had a favorable impact on sales of approximately $1,494,000 for the third-quarter.

Curtiss-Wright's 2002 performance continues to reflect a deliberate shift in the components of earnings from non-operating to operating elements. Increased business segment operating income (before Corporate and Other) in 2002 more than offset the decrease in 2001 non-operating net rental and net investment income. Operating income from our business segments increased $2,721,000 and $8,997,000 for the third-quarter and first nine months of 2002, respectively, over the comparable prior-year periods. The increase in business segment operating income after tax equates to $0.16 per diluted share and $0.39 per diluted share for the third-quarter and first nine months of 2002, respectively.

Last year's performance included rental income associated with a property that was sold in December 2001 and higher investment income generated from cash resources which have since been utilized for acquisitions. These non-operating items contributed to higher net earnings in 2001 of $790,000 or $0.08 per diluted share and $2,790,000 or $0.27 per diluted share for the three months and nine months, respectively, as compared to the comparable periods this year.

Curtiss-Wright's third-quarter 2002 performance included several non-recurring non-operating items. A reserve associated with an indemnification provided to the purchaser of the Company's Wood-Ridge rental property, which was sold last December, was no longer required and reversed during the quarter. In addition, the Company recorded a net gain associated with the sale of property that closed in the third quarter. Lastly, the Company recorded a net gain relating to the mailocation of postretirement medical benefits for certain active employees to our own funded pension plan resulting in a benefit to the employees, the Company and our shareholders. These items are presented in the table below, but the total effect was to increase pre-tax income for the third quarter by $3.6 million with an after tax impact of $2.2 million or $0.21 per diluted share.

Normalized Net Earnings:

(In thousands except per share figures):	Three Months Ended September 30, 2002	2001	Nine Months Ended September 30, 2002	2001
Net earnings	$ 11,312	$8,723	$31,444	$28,457
Adjustments:				
indemnification reserve	($600)	--	($600)	--
Postretirement medical benefits, net	($561)	--	($561)	--
Realized loss on sale of property	--	--	49	--
Facility consolidation costs:	--	--	277	--
Gain on sale of non-operating property	($71)		(428)	
Net earnings	$9,197	$8,723	$29,931	$28,457
Normalized net earnings per diluted share	$0.87	$0.85	$2.83	$2.78

Sales of $109,209,000 for the first nine months of 2002 represented a 39% increase from sales of the same period last year of $249,941,000. This increase was due primarily to the acquisitions made during the last fifteen months, which contributed $94,704,000 to sales during the first nine months of 2002. In addition, foreign currency translation had a favorable impact on sales of approximately $1,691,000 for the year to date 2002 period. Operating income of $40,543,000 for the first nine months of 2002 was 14% higher than operating income of $35,429,000 for the comparable-period last year. The first nine months net earnings of $31,444,000 or $3.31 per diluted share for 2002 were 12% above net earnings for the comparable period last year of $28,457,000 or $2.79 per diluted share.

Operating income for the third-quarter and first nine months of 2001 included goodwill amortization in the amounts of $489,000 and $1,338,000, respectively, which amounted to $0.03 and $0.09 per diluted share, respectively. With the implementation of SFAS Nos. 141 and 142, goodwill amortization was discontinued effective January 1, 2002.

Martin Benante, Chairman and CEO of Curtiss-Wright Corporation stated, "We are pleased to report that the integration of our recent acquisitions continues to progress as planned. In addition to having improved operating margins for almost all of our recent acquisitions, we have initiated cross-marketing of products and the sharing of new technologies from our new businesses. We have been extremely pleased with the businesses we have added to our portfolio.

"We continue to experience strong overall performance in our Flow Control and Motion Control segments. In the Motion Control segment, margins in our aerospace component overhaul and repair services, which have been pressured by lower demand from commercial airlines, continue to show improvement over last year. Although operating margins have been somewhat impacted by the lower sales volume for aerospace OEM commercial products, increased shipments of aerospace defense products helped to partially offset this decline. Although operating margins for our Metal Treatment segment are still below those levels of a year ago, we have seen a steady improvement in the profitability of this business segment as we have progressed through the year. "

Segment Performance:

Motion Control – Third quarter sales more than doubled, reflecting an increase of 158% over the comparable period last year and 4% from the second quarter of 2002. Within acquisitions accounted for $33,852,000 of the sales increase from the prior year, sales for most of these business units we have acquired since last November have shown a strong improvement in the third quarter compared to the second quarter of this year. However, as expected, commercial OEM sales related to Boeing declined offsetting the favorable impact of acquisitions. In addition, sales to the F-22 program and military spares increased when compared to the third quarter of 2001. Foreign currency translation favorably impacted sales by approximately $690,000 and $1,074,000 for the third quarter and year to date periods of 2002, respectively.

The third quarter operating income results for 2002 improved over the same period last year due primarily to higher sales levels. Operating income in the third quarter of 2001 included $132,000 of goodwill amortization. Operating margin percentages as compared to last year were lower primarily due to reduced activity for commercial OEM products and the effect of recent acquisitions. While we have seen quarter over quarter margin improvement for our recent acquisitions, as we have previously explained, their margin levels are below that of our traditional businesses, which has an effect on the overall segment margins when comparing operating margins to last year's third quarter. Our overhaul and repair operations have returned to profitability compared to last year's third quarter when they were at breakeven.

Metal Treatment – The third quarter sales, when compared to the same period last year, were up 2% as the result of the addition of three new facilities. Sales in the automotive sector have increased as the result of the addition of new programs. Sales also benefited from the advancement of the commercialization of our laser-peening technology. These gains were offset by a decline in the aerospace sector. In addition, foreign currency translation favorably impacted sales by approximately $689,000 and $640,000 for the 2002 third quarter and year to date periods, respectively.

While profit margins continue to be below prior year's level, the third-quarter has seen continued improvement from the first and second quarters of this year.

Flow Control – Sales for the third quarter of 2002 were up 50% from the same period last year due to acquisitions, which constituted $9,609,000 in sales in the quarter, and strength in our commercial arenas. Most notably, higher sales in commercial nuclear power generation due to a major project, increased sales to the oil and gas market, increased activity in the heavy truck OEM market and cross marketing activities all have contributed to the strong sales performance.

Third quarter operating margins in the Flow Control segment were consistent with those of the same period last year. Operating income in the third quarter of 2001 included $249,000 of goodwill amortization. For the third quarter of 2002, strong performance in commercial nuclear power generation and heavy truck markets and from our acquisitions offset lower margins in the quarter for sales to the commercial nuclear and oil and gas markets which were negatively impacted by unfavorable sales mix.

Mr. Benante stated, "As previously indicated, although the new acquisitions continue to have an effect on the operating margins of the overall Company because their margins are below those of our traditional businesses, we consider this to be a short-term cost that will be more than offset by the benefits of diversification and increased future profitability. Our shareholders have and will continue to see the benefits of our activities to diversify and broaden our customer and product bases."

Benante concluded, "As we announced last Friday, for the fourth consecutive year Parters magazine has listed Curtiss-Wright as one of America's 200 best small companies. Parters also recognized our corporate governance profile and our Board of Directors as receiving very high marks in their survey. We are proud of these acknowledgements of our successful long-term strategy. We are also enthusiastic about our recently announced teaming agreement with Advanced Biometric Security to deliver a full suite of integrated software security solutions incorporating fingerprints, voice patterns, facial recognition, iris scanning, and hand geometry into a single networked solution with a continuously updated database.

"Finally, we are excited about our most recent acquisition announced yesterday of the Electro-Mechanical Division of Westinghouse Government Services Company, a major designer and manufacturer of highly engineered critical function components for the U.S. Navy and commercial nuclear utility markets. We strongly believe that this acquisition will provide us with unique, significant, and state-of-the-art products for the U.S. Navy, commercial nuclear power, petrochemical and hazardous waste industries, thereby expanding our future growth opportunities."

The Company will hold a conference call with financial analysts to discuss the third-quarter results at 10:00 a.m. eastern time tomorrow, October 30, 2002. A live web cast of the call can be heard on the Internet by visiting the Company's website at http://www.curtisswright.com and clicking on the investor information page or by visiting other websites that provide links to corporate web casts.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(UNAUDITED)
(In thousands except share data)

	Three Months Ended September 30, 2002	2001(1)	Nine Months Ended September 30, 2002	2001(1)
Net sales	$119,641	$79,420	$278,205	$249,941
Cost of sales	78,642	49,233	216,152	152,900
Gross profit	41,199	30,187	125,053	97,039
Research and development expenses	3,042	1,267	7,684	3,179
Selling expenses	8,245	4,576	25,131	13,495
General and administrative expenses	16,312	13,483	50,529	40,875
Environmental and administrative expenses, net of recoveries	690	54	1,246	97
Operating income	12,931	11,398	40,543	39,429
Investment income, net	118	834	420	2,327
Rental income, net	1,192	2,304	3,576	7,009
Pension income, net	2,354	2,354	6,762	7,011
Other income (expense), net	3,411	(361)	3,451	(989)
Interest expense	(340)	(272)	(1,030)	(917)
Income before income taxes	20,215	14,751	50,164	49,412
Provision for income taxes	8,921	6,028	18,160	18,025
Net earnings	$11,312	$8,723	$31,444	$28,457
Basic earnings per share	$1.10	$0.87	$3.09	$2.82
Diluted earnings per share	$1.08	$0.85	$3.01	$2.79
Dividends per share	$0.15	$0.13	$0.45	$0.39
Weighted average shares outstanding:				
Basic	10,238	10,073	10,188	10,097
Diluted	10,478	10,224	10,430	10,208

(1) Certain prior year information has been reclassified to conform to current presentation

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands)

	(Unaudited) September 30, 2002	December 31, 2001(1)	Change $	%
Assets:				
Current Assets:				
Cash and cash equivalents	$37,496	$25,495	$11,991	47.0%
Short-term investments	144	42,058	(41,914)	-99.6%
Receivables, net	84,453	67,332	17,121	25.4%
Inventories, net	40,443	32,124	8,319	25.9%
Deferred income taxes	8,994	9,505	(501)	-5.3%
Prepaid expenses	5,553	4,552	1,001	22.0%
Total current assets	176,983	179,066	(2,083)	-1.2%
Property, plant and equipment, at cost	276,314	226,195	49,079	22.0%
Accumulated depreciation	149,438	121,914	27,524	22.6%
Property, plant and equipment, net	126,894	104,521	22,363	21.4%
Prepaid pension cost	76,237	70,796	5,441	8.0%
Goodwill and other intangible assets, net	130,541	92,620	43,921	47.4%
Other assets	8,930	9,524	(594)	-7.0%
Total Assets	$660,,796	$556,428	$45,368	13.1%
Liabilities				
Current liabilities				
Current portion of long-term debt	$36	$--	$36	n/a
Accounts payable	25,427	19,362	6,065	31.3%
Accrued expenses	29,514	23,133	6,381	27.6%
Income taxes payable	7,378	17,764	(10,386)	-58.5%
Deferred income taxes				
liabilities	13,689	16,807	(3,178)	-13.7%
Total current liabilities	76,044	76,066	(22)	0.0%
Long-term debt	47,830	21,381	26,449	123.7%
Deferred income taxes	26,912	24,043	2,869	11.9%
Other liabilities	22,409	28,974	(6,565)	-16.7%
Total liabilities	173,,695	150,,474	23,,651	15.8%
Stockholders' Equity				
Common stock, $1 par value	10,618	10,618	--	0.0%
Class B common stock, $1 par value	4,162	4,162	--	0.0%
Capital surplus	49,796	52,532	(2,736)	-5.2%
Retained earnings	495,140	469,,383	25,,843	5.7%
Unearned portion of restricted stock	(64)	(78)	14	-17.9%
Accumulated other comprehensive income	2,,126	(4,,031)	6,,157	-154.1%
	561,,244	529,,586	31,,658	6.3%
Less: cost of treasury stock	171,,899	170,,672	(6,,673)	-4.0%
Total Stockholders' Equity	391,,345	358,,954	41,,351	11.0%
Total Liabilities and Stockholders' Equity	$ 660,,796	$556,,428	$65,,368	13.1%

(1) Certain prior year information has been reclassified to conform to current presentation

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
SEGMENT INFORMATION
(UNAUDITED)
(In thousands)

	Three Months Ended September 30, 2002	2001	% Change	Nine Months Ended September 30, 2002	2001	% Change
Sales:						
Motion Control	$62,,896	$36,,696	169.3%	$163,,918	$95,,691	71.3%
Metal Treatment	27,,867	25,,601	7.3%	76,,738	81,,423	-5.3%
Flow Control	30,,679	22,,613	53.9%	69,,549	69,,828	36.0%
Total Segments	$119,,641	$79,,410	50.6%	$310,,205	$245,,941	27.9%
Operating Income:						
Motion Control	$8,,525	$4,,674	93.2%	$20,,439	$14,,658	39.4%
Metal Treatment	4,,234	4,,695	-9.1%	10,,570	14,,905	-29.1%
Flow Control	3,,267	2,,424	34.8%	11,,557	6,,326	82.7%
Total Segments	$16,,026	$11,,793	35.9%	$42,,566	$35,,889	18.6%
Corporate & Other	(3,,275)	(7)	N/A	(2,,023)	(460)	N/A
Total Operating Income	$12,,931	$11,,698	13.3%	$40,,543	$35,,429	14.4%
Operating Margins:						
Motion Control	14.2%	12.8%		12.9%	15.3%	
Metal Treatment	15.4%	17.4%		13.3%	18.4%	
Flow Control	10.6%	10.8%		12.1%	9.2%	
Total Curtiss-Wright	10.5%	14.8%		12.9%	14.4%	

Curtiss-Wright Corporation is a diversified provider of highly engineered products and services to the Motion Control, Flow Control and Metal Treatment industries. The firm employs approximately 4,100 people. More information on Curtiss-Wright can be found on the Internet at http://www.curtisswright.com.

Forward-looking statements in this release are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Such risks and uncertainties include, but are not limited to: a reduction in anticipated orders; an economic downturn; changes in the need for additional machinery and equipment and/or in the cost for the expansion of the Corporation's operations; changes in the competitive marketplace and/or customer requirements; a change in government spending; an inability to perform customer contracts at anticipated cost levels; and other factors that generally affect the business of aerospace, defense, marine, and industrial companies. Please refer to the Company's SEC filings under the Securities and Exchange Act of 1934, as amended, for further information.

SOURCE Curtiss-Wright Corporation

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